September 6, 2006

Brad Courtney Chairman

Lawrence H. Norton, Esq. General Counsel Federal Election Commission 999 E Street, NW Washington, D.C. 20463

MUR# 5806

Rick Wiley
Executive Director

148 E. Johnson St. Madison, WI 53703 p 608.257.4765 f 608.257.4141

Re:

Complaint against Steve Kagen, Kagen 4 Congress, Mary Witte as Treasurer

www.wisgop.org gop@wisgop.org

Dear Mr. Norton:

We respectfully file this complaint against Kagen 4 Congress, the principal campaign committee for Steve Kagen, a candidate for the U.S. House of Representatives in Wisconsin's 8th Congressional District, for possible violations of federal law prohibiting corporate contributions.

As the Commission well knows, federal law prohibits corporate contributions to candidates running for Congress. 2 U.S.C. § 441(b) and 11 CFR § 114.2. Federal regulations also directly prohibit in-kind contributions from corporations to candidates for Congress. 11 CFR § 114.2(c). The Commission has historically taken a dim view of the use of corporate resources in Federal elections. See MUR 5020 (Respondent Gormley for Senate Primary Election Fund, et al, total civil penalty of \$115,000) and MUR 5573 (Respondent Westar Energy, Inc., et al, total civil penalty of \$40,500).

Specifically in question is the existence of virtually identical sections on both Kagen's campaign website and on the website of Kagen Allergy Clinic, Kagen's chain of allergy care centers throughout Wisconsin. See Exhibit A and Exhibit B. On Kagen's campaign website, when you click on the "Why I'm running" link on the front page, you are taken to a page that reads "Join the Kagen Campaign for a Healthy America," followed by a page outlining Kagen's "No Patient Left Behind" health initiative. On the Kagen Allergy Clinic's website, there is a link that reads "Learn More—No Patient Left Behind." When you click on that link, you are brought to a virtually identical page as on Kagen's campaign site—namely, "Join the Kagen Campaign for a Healthy America," followed by the same page outlining Kagen's "No Patient Left Behind" initiative. Essentially, the sections on both sites serve as advertisements for Kagen's congressional campaign.

The use by both websites of identical pages outlining Kagen's "campaign" raises a number of questions. On one hand, if Kagen Allergy Clinic is a registered corporation and was responsible for creating and providing this section of its site to Kagen's campaign free of charge, it is in violation of

"Birthplace of the Republican Party"

Authorized and paid for by The Republican Party of Wisconsin www.wisgop.org
Not authorized by any candidate or candidate committee.



federal law prohibiting corporate in-kind contributions. On the other hand, if Kagen Allergy Clinic is a sole proprietorship and provided a portion of its website to the Kagen campaign free of charge, Kagen ought to have reported such expenditures on his FEC reports. Perhaps Kagen has not reported these expenditures so as to avoid the triggering of the so-called "Millionaire's Amendment." If the value of this portion of the website, combined with any other personal money Kagen has already used for his congressional campaign exceeds the \$350,000 threshold, then Kagen's opponent is eligible for increased contribution limits. 11 CFR § 400.9(b).

Moreover, there is no reference to any sort of receipt or disbursement to or from Kagen Allergy Clinic in Steve Kagen's financial disclosures with the Commission. Regardless of which entity created these website sections, Kagen is required to disclose its transfer as either a receipt or disbursement, and he fails to do so.

We respectfully request that the Commission investigate these issues, mandate the full disclosure of any corporate in-kind contributions, and penalize Kagen 4 Congress accordingly for any violations of the law.

Respectfully,

Rick Wiley
Executive Director

Sworn before me this 6 day of September, 2006.

NOTARY PUBLIC



"Birthplace of the Republican Party"

Exhibits





Click 7

HOT NEWS

Great News! Kagen On Top of 8th CD Race! ... Click Here

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Statewide Endorsement ... Click Here

Tcamstcrs Unite Behind Kagen For Congress!

VIEW STEVE KAGEN'S NEW TV MESSAGES

SEE STEVE IN ACTION

Thank You for Visiting Kagen 4 Congress.com!

Welcome to the Kagen 4 Congress Campaign website. Here you'll find common sense solutions to problems we face.

Together, We Will solve our nation's problems, one at a time, as we create a government that is accountable to the will of the people. We must work hard to free our government from the influences of corporate special interests, which have corrupted our elections and the very process of how we are governed.

Together, We Will build a healthy and secure America, everywhere in these United States. In our democracy, people must demand that its leaders join together to defend our national security, to end the War in Iraq, to attract higher wage jobs for those able to work, to invest in education, to balance our budgets, to secure equal opportunity and gender equality for all, to bring an end to the special privileges of the few, and to preserve each and every one of our hard won civil liberties.

And by defending our national security, we mean to correctly include the protection of our quality of life, everywhere in these United States, by guaranteeing the ongoing success of Social

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Security, Medicare, and Medicaid, and by vigorously defending our Environment, as we seek to become an Energy independent nation.

Securing our future begins by solving our American health caredilemma, with No Patient Left Behind. I strongly believe that Together, We Will.

Thank you for stopping by, and please return soon. I look forward to listening to you during the Kagen Campaign for a healthy America.

Steve



Steve tells it like

"Our nation is he wrong direction, everyone knows costs are out of r system of healthe simply broken. Together, We W healthy and secur America, with N. Left Behind."

:<u>On Patriotis</u>m -2006 *Brown County C*



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FOR A HEALTHY AMERICA

www.kagen4congress.com

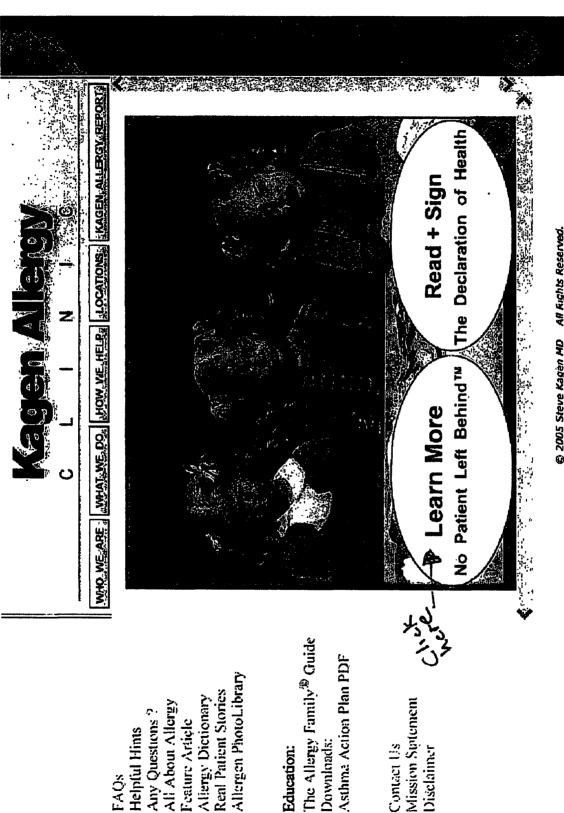
THE KAGEN HEALTH INITIATIVE

- 1. OPEN DISCLOSURE of all prices
- 2. UNITARY PRICING everyone is charged the same
- 3. ONE RISK POOL from sea to shining sea
- 4. HOUSEHOLD DEDUCTIBLE 3% taxable federal income
- 5. GOVERNMENTS must provide for the needy

 Take 3 minutes.

Read 3 pages and Sign the U. S. Declaration of Health Join the Kagen Campaign for a Healthy America

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JOIN THE KAGEN CAMPAIGN

FOR A HEALTHY AMERICA

www.kagenallergy.com

NO PATIENT LEFT BEHIND!

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